

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1790 - SB 2388

February 17, 2014

SUMMARY OF BILL: Authorizes a student who has received a Wilder-Naifeh technical skills grant to remain eligible for a HOPE scholarship, if the student applies for a HOPE scholarship and enrolls in a postsecondary institution immediately after completing three trimesters at a Tennessee College of Applied Technology. Requires such students to meet satisfactory academic progress standards under Tenn. Code Ann. § 49-4-921(b). Authorizes a student who enters a postsecondary institution as a freshman and receives a HOPE scholarship, to receive a Wilder-Naifeh technical skills grant and transfer to a TCAT. Authorizes such students to enroll in a TCAT after two semesters at the regular postsecondary institution and be eligible to receive a HOPE scholarship in their third semester at the regular postsecondary institution in order to receive the Wilder-Naifeh technical skills grant.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**\$1,400,000/FY14-15 and Subsequent Years/Lottery for Education Account
Exceeds \$1,400,000/FY15-16 and Subsequent Years/Lottery for Education
Account**

Assumptions:

- Based on information received from the Tennessee Student Assistance Corporation (TSAC), 166 students who transfer from a two or four-year institution to a TCAT will receive a \$2,000 award annually. The increase in state expenditures from the Lottery for Education Account (LFEA) for this population of students is estimated to be \$332,000 (\$2,000 x 166).
- TSAC estimates that 60 students will transfer from a TCAT to a two-year institution and receive a \$2,000 scholarship; an increase in state expenditures from the LFEA of \$120,000 (\$2,000 x 60).
- TSAC estimates that 237 students will transfer from a TCAT to a four-year institution and receive a \$4,000 scholarship; an increase in state expenditures from the LFEA of \$948,000 (\$4,000 x 237).
- The increase in state expenditures in FY14-15 is estimated to be \$1,400,000 (\$332,000 + \$120,000 + \$948,000).

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- In FY15-16 and subsequent fiscal years, the recurring increase in state expenditures from the LFEA is estimated to exceed \$1,400,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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